

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF BLUE GRASS)	
RURAL ELECTRIC COOPERATIVE)	
CORPORATION, INC. FOR AN ADJUSTMENT)	CASE NO. 94-394
TO ITS RETAIL ELECTRIC POWER TARIFFS)	

O R D E R

IT IS ORDERED that Blue Grass Rural Electric Cooperative Corporation, Inc. ("Blue Grass") shall file an original and 10 copies of the following information with this Commission, with a copy to all parties of record. Each copy of the information should be placed in a separate volume with each item numbered to correspond to the request included herein. When a number of sheets are required for an item, each sheet should be appropriately indexed, for example, Item 1(a), Sheet 2 of 6. Include with each response the name of the person who will be responsible for responding to questions relating to the information provided. Careful attention should be given to copied material to ensure that it is legible. The information is due no later than February 21, 1995.

1. Refer to Exhibit D of the application. Provide workpapers which show the derivation of the following amounts:

- a. \$93,829 decrease in Section C rates.
- b. \$1,936,574 decrease in Section E rates.
- c. \$250,320 increase in load center rates for Section E consumers.

d. Does any of the load center increase apply to Section C consumers? If yes, why was the load center increase not prorated among Sections C and E?

2. Refer to Exhibit E of the application. The residential marketing rate has been decreased by 13.75 percent or \$.00451 which fails to maintain the existing 60 percent ratio between the marketing rate and the standard rate. Is this an intentional departure from the established ratio? If yes, explain the proposed change.

3. Refer to Exhibit E of the application. For each size light, provide workpapers which show the derivation of the decrease in the fixed rate. These workpapers should identify the monthly energy (kwh) consumption for each size light and show how the decrease in Section E energy rates (per Exhibit D of the application) translates to a decrease in the fixed lighting rate.

4. In the event Blue Grass's wholesale power cost is ultimately reduced by an amount greater than the decrease that went into effect January 1, 1995, should the additional reduction be reflected in retail rates by using the same allocation methodology proposed by Blue Grass? If no, explain fully.

Done at Frankfort, Kentucky, this 3rd day of February, 1995.

PUBLIC SERVICE COMMISSION

ATTEST:


For the Commission


Executive Director